



January 12, 2004

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th St. & Constitution Ave., NW
Washington, DC 20551

**Re: Comments for Docket No. R-1171
Effective Date for the Fair and Accurate
Credit Transactions Act of 2003**

Dear Ms. Johnson:

HSBC Bank USA appreciates the opportunity to comment on the proposed effective dates for the Fair and Accurate Credit Transactions Act of 2003. HSBC has more than 400 branches in New York State, Florida, Pennsylvania, California, Washington, Oregon and Panama. HSBC is the principal subsidiary of HSBC USA Inc, the 13th largest US bank holding company ranked by assets, and an indirectly-held, wholly-owned subsidiary of HSBC Holdings plc.

When attempting to establish effective dates for regulations which have not yet been published, it is impossible to concur with any degree of comfort that the proposed effective dates will allow a reasonable time to develop systems, rules, forms and training programs to effectively implement those regulations. The ability to implement all required changes depends entirely on the content of the regulations and the timeframe in which the Agencies publish them. We ask the Agencies to keep in mind that, given these variables and the substantial resources which will have to be dedicated to the implementation of the final regulations, the timeframe needed to implement certain provisions of the final regulations may require a period well beyond the proposed December 1, 2004 effective date.

In particular, the Act would permit the implementing regulations for the affiliate sharing rules in Section 214(a) to become effective up to six months after the final regulations are published. We urge the Agencies to take advantage of this flexibility. Until the regulations implementing Section 214 are published in final form, financial institutions cannot determine the time needed to address the new requirements. Complex financial institutions will need time to identify the processes and systems impacted by the new affiliate sharing rules and to implement the extensive changes to systems, forms and procedures.

Establishing an effective date that is unnecessarily premature will jeopardize the ability of financial institutions to properly and effectively make the required changes. Given the massive scope of the new requirements, we ask that the Agencies either wait until the regulations implementing Section 214 are final before setting an effective date or set the date for later in 2005, as permitted by the Act.

HSBC Bank USA

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We appreciate this opportunity to submit comments on the Proposal. If you should have any questions or comments regarding this letter, please feel free to call me at the number listed below.

Very truly,

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Counsel
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